

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule
SB-128/LRB-2423/2

Amendment No. if applicable

FISCAL ESTIMATE
DOA-2048 (R10/92)

Subject
Limitations on State GPR appropriations

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
- Decrease Existing Appropriation Decrease Existing Revenues
- Create New Appropriation

Increase Costs - May be possible to absorb Within Agency's Budget Yes No

Decrease Costs

Local: No local government costs

1. Increase Costs

Permissive Mandatory

2. Decrease Costs

Permissive Mandatory

3. Increase Revenues

Permissive Mandatory

4. Decrease Revenues

Permissive Mandatory

5. Types of Local Governmental Units affected:

Towns Villages Cities

Counties Others _____

School Districts VTAE Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

s. various

Assumptions Used in Arriving at Fiscal Estimate:

Under the bill, and beginning in the 2001-03 biennium, the Legislative Fiscal Bureau and Department of Revenue would calculate the amount of GPR the state may appropriate in a biennium, and report the amount allowable to the co-chairs of the Joint Committee on Finance. DOR and the LFB would calculate the amount based on a formula the bill sets forth. The formula increases GPR in year one of the new biennium by taking GPR (any GPR appropriated for public debt, payment to federal government, and appropriations with two-thirds approval of the legislature are immune, and not part of overall calculation) spent during year two in the prior biennium, then multiplying that number by 0.99 and the average of people's aggregate income growth in the State over the prior 4 years as reported by the Department of Commerce. (e.g. if personal income growth is 5%, then GPR in year one of the new biennium cannot increase by more than 4%)

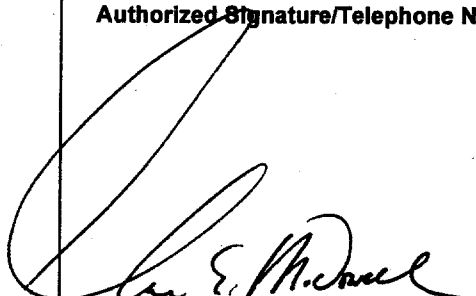
This bill may have consequences on the State's GPR appropriations. By indexing overall state GPR spending to per capita income growth, the amount of GPR available for operations, programs, grants, and local assistance/revenue sharing is likely to be affected, but is unknown without further study.

Long-range Fiscal Implications

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Date:

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